

OUTCOME OF BOARD MEETING

PCASL/51/2022-23

Date: 10.01.2023

To,
The General Manager,
Department of Corporate Services,
BSE Limited,
P.J. Towers Dalal Street,
Mumbai - 400001
BSE Scrip Code: 543527

To,
Manager-Listing Compliance,
National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra East,
Mumbai - 400051
Symbol: PRUDENT

Dear Sir/Madam,

Sub: Outcome of meeting of the Board of Directors of Prudent Corporate Advisory Services Limited held on 09th January, 2023 - Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In terms of Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") read with SEBI Circular bearing reference number CIR/CFD/CMD/4/2015 dated September 9, 2015, as amended from time to time, we hereby submit the outcome of the meeting of the Board of Directors ("Board") of Prudent Corporate Advisory Services Limited held on 9th January, 2023.

The Board, based on the recommendations of the Audit Committee, has, *inter-alia*, considered and approved the draft Scheme of Arrangement amongst Prudent Broking Services Private Limited ("PBSPL" or "**the Demerged Company**") and Prudent Corporate Advisory Services Limited ("**the Company**" or "PCASL" or "**the Resulting Company**") and their respective shareholders and creditors ("**the proposed draft Scheme**") under section 233 of the Companies Act, 2013 read with other applicable provisions and the rules, regulations, circulars and notifications issued thereunder (including any statutory modification or re-enactment thereof). (Resulting Company and Demerged Company collectively referred to as "**Companies**"). The Demerged Company is wholly owned subsidiary of the Resulting Company.

The draft Scheme shall be subject to the requisite sanction of the Hon'ble Regional Director, North Western Region and such other statutory and other regulatory authorities as may be required in this regard.

The disclosure required under Regulation 30 read with Schedule III of the Listing Regulations and the SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015, are given as **Annexure**.

For Prudent Corporate Advisory Services Limited

Ghetia
Digitally signed by Ghetia Dhavalkumar Pareeshbhai
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Dhavalkumar Ghetia
Company Secretary & Compliance officer
Tele No: 079-40209600
Email: cs@prudentcorporate.com
Encl:- As stated above

ANNEXURE

Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No CIR/CFD/CMD/4/2015 dated September 9, 2015

Sr. No	Particulars	Details									
a)	Name of the entity(ies) forming part of the demerger, details in brief such as size, turnover etc.	The Resulting Company – Prudent Corporate Advisory Services Limited (listed on BSE Limited and National Stock Exchange of India Limited) The Demerged Company – Prudent Broking Services Private Limited (unlisted) The brief extract financials for the period ending March 31, 2022, is as under: <table> <tr> <th>Particulars</th><th>PCASL (Standalone)</th><th>PBSPL (Standalone)</th></tr> <tr> <td>Turnover- Revenue from operations (in Lakhs)</td><td>39,078.03</td><td>2,352.26</td></tr> <tr> <td>Networth (in Lakhs)</td><td>19,659.82</td><td>2,170.74</td></tr> </table>	Particulars	PCASL (Standalone)	PBSPL (Standalone)	Turnover- Revenue from operations (in Lakhs)	39,078.03	2,352.26	Networth (in Lakhs)	19,659.82	2,170.74
Particulars	PCASL (Standalone)	PBSPL (Standalone)									
Turnover- Revenue from operations (in Lakhs)	39,078.03	2,352.26									
Networth (in Lakhs)	19,659.82	2,170.74									
b)	Brief details of Division to be Demerged	Stock Broking and Depository Business ('the Demerged Undertaking') of the Demerged Company as on the appointed date.									
c)	Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year;	Not Applicable since this is a case of demerger from an unlisted company into a listed company. The turnover of Stock broking and depository business ("Demerged Undertaking") as on March 31, 2022 was INR 2,299.33 lakhs which constitutes - 97.75% of the total turnover of the Demerged Company in the immediately preceding financial year / based on financials of the last financial year (year ended March 31, 2022).									
d)	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"	The proposed draft Scheme is between the Demerged Company, a wholly owned subsidiary and the Resulting Company, holding company. The proposed demerger shall not to be treated as a related party transaction in terms of General Circular No. 30/2014 dated 17 July, 2014, issued by the Ministry of Corporate Affairs.									

		Further, pursuant to Regulation 23(5)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the related party provisions are not applicable to the proposed draft Scheme.
e)	Area of business of the entity (ies)	PBSPL is engaged in the business of Stock Broking and Depository Business, commodity broking, research analyst and other financial / investment related services. PCASL is engaged in mainly in the business of distribution of mutual funds existing in India, stock broking and depository business, investment advisory and other financial / investment related services.
f)	Rationale for Demerger	1. The Demerged Company and the Resulting Company seek to reorganise their respective businesses, by transfer of the Demerged Undertaking from the Demerged Company to the Resulting Company, so as to consolidate the Demerged Undertaking under single entity i.e. the Resulting Company. 2. The Demerged Company is the wholly owned subsidiary of the Resulting Company and under same management. It would be advantageous to combine the stock broking and depository operations in a single entity. The management of the Demerged Company is of the view that consolidation of the Demerged Undertaking under single entity, would lead to following benefits: a) Contribute in furthering and fulfilling the objects of the companies concerned and enabling the optimum growth and development of their combined business; b) The demerger will lead to reduction in costs, pooling of business and strategic resources, greater cost-efficient services, enhanced support services, easy access / availment of all the services, economies of scale and the benefit of access to latest and advanced technologies; c) The demerger will enable the Demerged Undertaking of the Demerged Company, to access the large service network of the Resulting Company, enhance its existing customer base and facilitate access to all products / services in a single platform. It would be advantageous to consolidate the stock broking and depository business operations in a single entity and build strong capability to effectively meet future challenges in competitive

		business environment. It will enable to combine the managerial and operational strength for stock broking and depository business in a single entity to build a wider customer and financial base and to promote and secure overall growth. It will also enhance the value proposition for the Resulting Company in terms of its existing competitive strength and customer reach, cost optimization, personnel capabilities, skills, expertise and technologies of the Resulting Company, thereby providing enhanced growth opportunities in future; d) Elimination of multiple administrative functions and record-keeping and enhanced operational efficiencies, thus resulting in reduced statutory and regulatory compliance burden and administrative costs; e) It is considered desirable and expedient to reorganise and demerge the business of Demerged Company so as to have a stronger asset base and enhance skills to conduct the business in the emerging environment and to rationalise the costs of conducting business; f) Contribute in furthering and fulfilling the objects of the companies concerned and enabling the optimum growth and development of their combined business ; and g) Create enhanced value for shareholders of the Resulting Company in terms of value proposition for the Resulting Company as mentioned in clause c) above and would enable focused strategy in operations, which would be in the best interest of the Resulting Company, their shareholders, creditors and all persons connected with the respective companies. It will also result in usual economies of a centralized and a large company for stock broking and depository business operations including elimination of duplicate work, reduction in overheads, marketing costs, better and more productive utilization of financial, human and other resources and enhancement of overall business efficiency.
g)	Brief details of change in shareholding pattern (if any) of all entities	The Demerged Company is the wholly owned subsidiary of the Resulting Company. Accordingly, upon the proposed draft Scheme coming into effect, the Resulting Company will not issue any shares in consideration for the demerger and hence there will not be any change in the shareholding pattern of the Resulting Company.

h)	In case of cash consideration – amount or otherwise share exchange ratio	The Demerged Company is the wholly owned subsidiary of the Resulting Company. Accordingly, upon the proposed draft Scheme coming into effect, no new shares will be allotted by the Resulting Company and/or no cash consideration will be paid.